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**U.S. JURY CONVICTS RESTAURANT MANAGER IN THE CASE  
OF A HUG THAT LED TO THE MURDER OF HIS BOSS**

JAMES B. COMEY, the United States Attorney for the Southern District of New York, announced that OCTAVIO FRIAS was convicted yesterday in Manhattan federal court of participating in the murder of Mario Lobo, a/k/a "Alberto Cruz," a resident of Manhattan, while engaged in a large-scale narcotics conspiracy in September 1991.

According to the evidence at trial, Lobo was murdered in September 1991 by hitmen hired by FRIAS and Roberto Martinez-Martinez, a/k/a "Papito." FRIAS was convicted by a jury verdict following a seven-day trial before United States District Judge ALLEN G. SCHWARTZ. Martinez-Martinez pled guilty in federal court on November 21, 2002, to an Information containing racketeering and firearm charges that included the conspiracy to murder Lobo.

According to the evidence at trial, Martinez-Martinez and the victim, Lobo, were partners in a gambling and narcotics business run out of the "El Baturro" restaurant and club located

at 1490 St. Nicholas Avenue in Manhattan. FRIAS was the manager of the restaurant, and he assisted Martinez-Martinez and Lobo in both the illegal gambling operation, as well as the distribution of multi-kilogram quantities of heroin and cocaine at the restaurant.

According to the evidence at trial, FRIAS and Martinez-Martinez hired hitmen to murder Lobo in exchange for \$20,000. FRIAS also agreed to point out the victim for the hitmen. In the early morning hours of September 21, 1991, after the hitmen entered the restaurant and waited at a table in the bar, FRIAS approached Lobo and hugged him, thereby signaling the victim to the hitmen. After FRIAS hugged Lobo, the two hitmen, carrying a .380 semi-automatic handgun and an Uzi, approached Lobo from behind and shot at him, hitting him once in the head. According to the testimony at trial from the medical examiner, the bullet went through Lobo's skull and perforated his brain, causing his death.

At approximately the same time, according to the Information to which Martinez-Martinez pled earlier, Martinez-Martinez had also hired hitmen to shoot and kill another victim, Gerald Mandel. At the time, Mandel was the manager of Chilmark Commodities Corp., a commodities brokerage firm with offices in North Miami Beach, Florida. In or about September 1991, Martinez-Martinez and his hired hitmen traveled to Miami for the

purpose of killing Mandel. On or about September 26, 1991, the hitmen hired by Martinez-Martinez drove in a van to the parking lot in front of Mandel's office building located in North Miami Beach, Florida, where they waited for Mandel. As Mandel exited his Mercedes-Benz to go to work that morning, the hitmen shot and killed Mandel.

FRIAS, 49, lived in Manhattan prior to his arrest. FRIAS faces a statutory mandatory minimum sentence of 20 years in prison, a statutory maximum sentence of life imprisonment and a fine of \$250,000 or twice the gross gain or loss resulting from the crime.

Roberto Martinez-Martinez, a/k/a "Papito," 66, had lived in Manhattan prior to his arrest in this case. Martinez-Martinez agreed to accept a sentence of 25 years in prison and a fine of \$250,000 or twice the gross gain or loss resulting from the crime.

Judge SCHWARTZ, has scheduled FRIAS's sentencing for June 16, 2003. Judge SCHWARTZ has not yet set a date for Martinez-Martinez's sentencing.

The criminal prosecution was the result of an investigation conducted by the Federal Bureau of Investigation's Joint Organized Crime Task Force. Mr. COMEY thanked the members of the FBI's Joint Organized Crime Task Force for their work in

this investigation.

Assistant United States Attorneys JAY K. MUSOFF and  
JOSHUA A. GOLDBERG are in charge of the prosecution.

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